

REMARKS

The Office Action dated October 17, 2008 (“Office Action”) and cited references have been considered. Claims 1-10, 12-24, 26-28, and 31-34 are currently pending in this application. In this paper, claims 1, 10, 15, 24, and 31 have been amended and claims 11 and 25 have been cancelled. Reconsideration and allowance are respectfully requested.

1. Rejection Under 35 U.S.C. § 101

On page 4 of the Office Action, claims 31 and 34 were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Claim 31 has been amended to recite a processor readable storage medium and instructions stored on the storage medium. Applicant respectfully submits that claims 31 and 34 recite statutory subject matter. *See In re Beauregard*, 35 USPQ2d 1383 (Fed. Cir. 1995). Also, as stated in the MPEP “a claimed computer-readable medium encoded with a computer program is a computer element which defines structural and functional interrelationships between the computer program and the rest of the computer which permit the computer program’s functionality to be realized, and is thus statutory.” *See* MPEP § 2106.01, I (citing *In re Lowry*, 32 F.3d 1579, 1583, 32 USPQ2D 1031, 1035 (Fed. Cir. 1994)). Furthermore, Applicant notes that the Board of Patent Appeals and Interferences recently held “[i]t has been the practice for a number of years that a ‘Beauregard Claim’ ... be considered statutory at the USPTO as a product claim.” *See Ex parte Bo Li*, Appeal 2008-1213 (BPAI 2008) (citing MPEP § 2105.01, I); *See also* MPEP § 2106.01, I.

Accordingly, Applicant respectfully requests that the aforementioned non-statutory subject matter rejection under § 101 of claims 31 and 34 be withdrawn.

2. Rejections Under 35 U.S.C. § 112, ¶ 2

On page 5 of the Office Action, claims 13, 27, and 32-34 were rejected under 35 U.S.C. § 112, ¶ 2 for indefiniteness.

Regarding claims 13 and 27, with respect to the term “regular mail channel,” Applicant respectfully submits that the meaning of this term would be understood by one skilled in the art in view of the specification. For example, the specification describes a number of examples of the regular mail being carried by the U.S. Postal Service (USPS). *See* specification at page 6, lines 14-16; page 9, lines 19-22; and page 12, lines 18-20.

Regarding claims 32-34, with respect to the term “proximate to the local post office,” Applicant respectfully submits that the meaning of this term would be understood by one skilled in the art in view of the specification. For example, the specification describes the payment processing system located at a proximal location (e.g., next building, different floor, etc). *See* specification at page 13, lines 1-2; page 10, lines 4-10. Applicant respectfully submits that one skilled in the art would understand the meaning of the term “proximate to the local post office” when read in view of the specification.

In view of the above remarks and explanations, Applicant respectfully submits that the claims satisfy 35 U.S.C. § 112, ¶ 2. Accordingly, reconsideration and withdrawal of this rejection is respectfully requested.

3. Rejection Under 35 U.S.C. § 103

On pages 5 and 6 the Office Action, claims 1, 3, 5-8, 10-13, 15, 17, 19-22, 24-27 and 31-34 were rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent Application Publication No. 2003/0200107 to Allen et al. (hereinafter “Allen”). This rejection is respectfully traversed. Prior to discussing the rejection, however, a brief summary of an embodiment of Applicant’s invention is provided in order to highlight some of its advantageous characteristics.

Figure 3 of Applicant’s specification, reproduced below, shows an exemplary system for check processing at a distributed postal site.

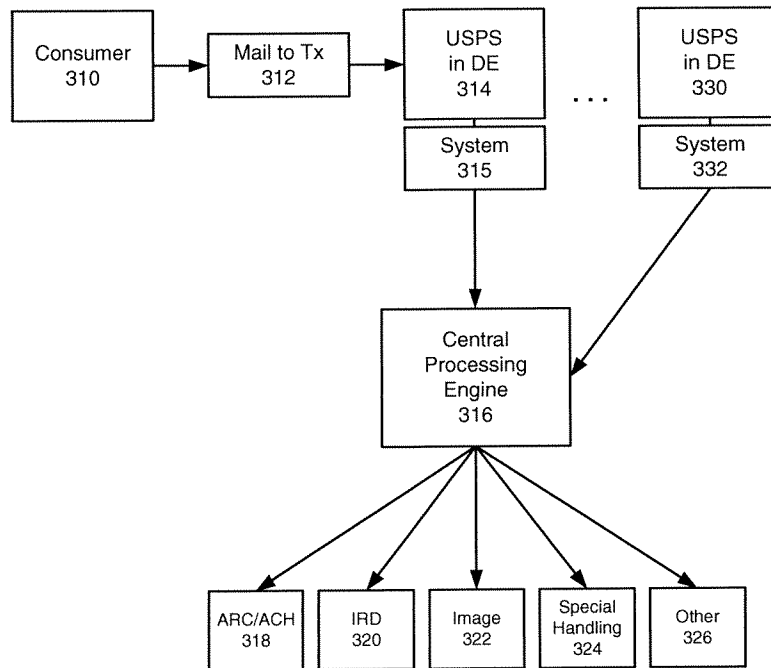


Figure 3

According to this embodiment, a consumer 310 may be located at a specific state, such as Delaware. The consumer 310 may have a mail item 312 (*e.g.*, an envelope) that is addressed to a Texas address having an appropriate code or identifier (*e.g.*, a zip code). As far as the consumer 310 is concerned, the mail item 312 is addressed to Texas and will be routed through the appropriate conventional mail channels, *i.e.*, physically transported to the addressee in Texas. The mail item 312 may be sent to a mail facility located in Delaware. For example, if the mail item 312 is sent from the consumer's home in Delaware, the mail item 312 will be received at a local post office in Delaware, as shown by 314. At the local post office in Delaware 314, the mail item 312 addressed to Texas will be routed to a local processing system 315 in Delaware. The system 315 may be integrated with a post office and may be located at the post office or at a proximal location (*e.g.*, next building, different floor, etc.).

The system 315 may then electronically transmit scanned payment data to a central processing engine 316. The actual payment product (*e.g.*, the paper check) may then be destroyed at the system 315. The scanned payment data may include a scanned image of the

payment product including any associated paperwork. The payment data transmitted by the system 315 to the central processing engine 316 may also include an identifier and/or other data such as a MICR line, payment amount, routing number, transit number, payee information, and/or payor information. The central processing engine 316 may receive scanned payment data from a plurality of systems, as shown by system 332 associated with a post office 330. The central processing engine 316 may then determine a payment type (*e.g.*, personal check, corporate check, cashier's check, money order, etc.) and determine an optimal clearing path (*e.g.*, accounts receivable conversion (ARC)/automated clearing house (ACH) payment, image replacement document (IRD), image exchange, special handling, etc.) for the payment product. The payment product may then be cleared through the appropriate channel, such as ARC/ACH 318, IRD 320, image exchange 322, special handling 324, or other channel 326.

This embodiment of the invention can be transparent to the consumer. Specifically, the consumer 310 making the payment will likely have no idea that a change has occurred in how their payments are processed, *i.e.*, that the paper check is destroyed at the system 315 in Delaware and the transaction is thereafter processed electronically.

Some of the advantages to the mail facility may include reduced mail volume, increased profit margins from postage paid by the consumer even though the mail does not move past the original city, a new revenue stream, co-location revenue, and new use of facilities to decrease downsizing, for example. Some of the advantages to a financial institution may include reduction of facilities, less need for regional facilities, and decreased incoming volume to the remaining facilities, for example. The invention may also provide the advantage of an additional 1-2 days of float on payments. These and other advantages are described in Applicant's specification on pages 13-14.

The Allen application, by contrast, describes a rent collection system and process for use by property owners and managers. *See* Allen ¶ 2. The Allen system includes a collection processor 10, a payment service center 60, and a property management system 70, among other things. *See* Allen Figure 1. The collection processor 10 is employed to control the process of payment collection. Allen ¶ 30. The payment service center 60 is employed to receive payments in the form of papers, such as checks and money orders, from various accounts or customers or tenants. Allen ¶ 32. The payment service center 60 is a physical location where all paper

payments handled by collection processor 10 are handled. Allen ¶ 80. The property management system 70 is a personal computer that includes an accounting software system, which is typically a software system for property management. Allen ¶ 36.

Allen does not disclose or suggest the invention recited in Applicant's claim 1:

1. A method for processing payment products, the method comprising the steps of:
 - receiving a mail item comprising a payment product at a mail facility;
 - identifying a routing code associated with the mail item;
 - routing the mail item to a payment processing system, based at least in part on the routing code;
 - at the payment processing system, extracting the payment product from the mail item;
 - electronically transmitting payment data associated with the payment product to an intended recipient for processing, wherein the intended recipient determines an appropriate clearing path based at least in part on a type of the payment product; and*
 - destroying the payment product at the payment processing system.*

In order to advance prosecution, Applicant has amended claim 1 to more specifically define the present application. In particular, Applicant respectfully submits that Allen fails to disclose, or even suggest, a method for processing payment products, "wherein the intended recipient determines an appropriate clearing path based at least in part on a type of the payment product," as presently claimed. By contrast, Allen teaches that sorting instructions provided by the property management company determine a route for payments within a payment service center 60. *See*, Allen ¶ 83. Also, Allen teaches three routes for payments within the payment service center 60: (1) a route of those payments that are accepted and need to be delivered to a banking institution, (2) a route of those payments that are required to be held for review, and (3) a route for those payments that are required to be sent to the property management company. *See*, Allen ¶ 83. Therefore, Applicant respectfully submits that Allen merely teaches directing payments within the payment service center 60 based on whether the payments are accepted or rejected for further review and fails to disclose, or even suggest, that an "intended recipient determines an appropriate clearing path based at least in part on a type of the payment product," as presently claimed.

Also, Allen does not disclose or suggest the combination of *receiving a mail item comprising a payment product at a mail facility; electronically transmitting payment data*

associated with the payment product to an intended recipient for processing; and destroying the payment product at the payment processing system, as recited in Applicant's claim 1. Allen also does not recognize or suggest the advantages provided by exemplary embodiments of Applicant's invention, such as reduced mail volume, increased profit margin from postage paid by the consumer even though the mail does not move past the original city, and a reduction of the mail facilities needed by a financial institution receiving payments, among others.

The Office Action cites an isolated passage in Allen as allegedly curing the deficiencies noted above. In particular, the Office Action states on pages 6-7:

Allen teaches electronically transmitting payment data associated with the payment product to an intended recipient for processing (image forwarded to collection processor) and destroying the payment product at the payment processing system (paragraph 95 page 7) but this is a slightly different embodiment.

Applicant respectfully disagrees. Not only does Allen fail to mention the advantages of Applicant's invention, but in fact Allen teaches away from Applicant's claim 1 combination. In particular, Allen teaches that in the normal course, all the paper checks are physically transported to the bank for deposit. *See* Allen ¶ 92 and Figure 3. Allen teaches that a check transport system 208 is used to receive the extracted and batched mail (¶ 84); and a deposit preparation stage 214 is provided and configured to prepare deposit slips (¶ 88). The paragraph 95 cited in the Office Action describes a *mistake* by the tenant in which the tenant "sends a check to the property management company *instead of the designated P.O. Box number.*" Only in that case of tenant error does the check get destroyed. Moreover, in that case, the property management company is not the mail facility, so that even this alternative process in Allen does not disclose the subject matter of Applicant's claim 1. Even if the Examiner interprets that the property management company is a mail facility, the property management company fails to identify "a routing code associated with the mail item" and route "the mail item to a payment processing system, based at least in part on the routing code," as presently claimed. If the check in Allen is sent to the correct address, it is physically deposited at the bank.

In addition, Applicant respectfully submits that Allen teaches away from "electronically transmitting payment data associated with the payment product to an intended recipient for processing," as presently claimed. As discussed above, Allen teaches that the paper checks are *physically deposited at the bank*. *See, e.g.,* Allen at Figure 3 (showing a person physically

carrying checks to the bank 92); Allen ¶ 84 (“A check transport system 208 is configured to receive the extracted and batched mail Typically, the check transport system 208 includes a plurality of sorting pockets.”); Allen ¶ 88 (“A deposit preparation stage 214 is provided and configured to prepare deposit slips.”) Allen ¶ 92 (“Payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment.”).

Moreover, Applicant respectfully submits that Allen teaches away from “destroying the payment product at the payment processing system,” as presently claimed. In particular, Allen teaches payment service center 60 provides the payments to a banking institution such as at 92 for each corresponding batch of payments that have been accepted for payment. *See*, Allen ¶ 92. Also, Allen teaches that the banking institutions are configured to receive paper checks for deposit directly from payment service center 60. *See*, Allen ¶ 43. Applicant respectfully submits that if the payment product is destroyed at the payment processing system, as alleged by the Office Action, there would not be anything to deposit at the banking institution.

The modification proposed in the Office Action would also destroy much of the functionality of the Allen system. For example, it would render useless the check transport system 208, the deposit preparation stage 214, the staging module 218, etc.

For at least these reasons, Applicant respectfully submits that it would not have been obvious to make the modifications to the Allen system suggested in the Office Action. Rather, it is apparent from reviewing the Office Action that the rejection is based on hindsight using Applicant’s disclosure as a template, which is improper. For the foregoing reasons, Applicant respectfully submits that the rejection under § 103 is improper and requests reconsideration and withdrawal of the rejection.

Regarding dependent claims 2-10, 12-14, and 32 these claims are dependent upon independent claim 1. Thus, since independent claim 1 should be allowable as discussed above, claims 2-10, 12-14, and 32 should also be allowable at least by virtue of their dependency on independent claim 1. Moreover, these claims recite additional features which are not disclosed, or even suggested, by the cited reference s taken either alone or in combination. For example, claim 12 recites “the appropriate clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels,” as presently claimed.

Independent claims 15 and 31 recite features similar to claim 1 and are believed to be allowable for essentially the same reasons that claim 1 is allowable. Thus, the arguments set forth above with respect to claim 1 are equally applicable to claims 15 and 31. Accordingly, it is respectfully submitted that claims 15 and 31 are allowable over Allen for the same reasons as set forth above with respect to claim 1.

Regarding dependent claims 16-24, 26-28, 33, and 34, these claims are dependent upon independent claims 15 and 31. Thus, since independent claim 15 and 31 should be allowable as discussed above, claims 16-24, 26-28, 33, and 34 should also be allowable at least by virtue of their dependency on independent claims 15 and 31. Moreover, these claims recite additional features which are not disclosed, or even suggested, by the cited references taken either alone or in combination. For example, claim 26 recites “the appropriate clearing path comprises one or more of automated clearing house, image replacement document and image exchange channels,” as presently claimed.

In view of the foregoing remarks, Applicant respectfully submits that claims 1, 3, 5-8, 10-13, 15, 17, 19-22, 24-27 and 31-34 are patentable over Allen and requests withdrawal of the rejection under 35 U.S.C. § 103 in view of Allen.

On page 8 of the Office Action, claims 2, 4, 9, 14, 16, 18, 23 and 28 were rejected under 35 U.S.C. § 102(a) as being unpatentable over Allen in view of Official Notice. Applicant respectfully traverses the Examiner’s assertion that the Official Notice statements are taken to be admitted prior art because the Applicant’s traversal is inadequate. Specifically, the Examiner takes Official Notice that it is old and well-known to route mail with a zip code and therefore concludes that it would have been obvious to a person of ordinary skill in the art at the time of the invention to modify Allen to add a routing code comprising a zip code. Applicant traverses this rejection because there is no support in the record for the conclusion that the identified features are “old and well known.” In accordance with MPEP § 2144.03, the Examiner must cite a reference in support of his position and Official Notice unsupported by documentary evidence should only be taken by the Examiner where the facts asserted to be well-known, or to be common knowledge in the art are capable of instant and unquestionable demonstration as being well-known. (emphasis added). Applicant respectfully submits that Allen teaches that a separate P.O. Box number is assigned to each property management system 70 by a collection processor

10, so that the address used to mail the payments refers to the same location, except for the unique P.O. Box number. *See*, Allen ¶ 41. Thus, Applicant respectfully submits that Allen teaches that mailed payments have the same zip code because the payments are mailed to the same location and are differentiated by P.O. Box number. Applicant submits, therefore, that it would not have been obvious to one having ordinary skill in the art to route payments of Allen to a payment processing system based on zip code, as alleged by the Office Action. Therefore, claims 2, 4, 9, 14, 16, 18, 23 and 28 are believed to be allowable.

4. Conclusion

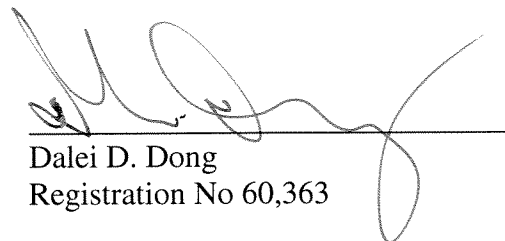
Having addressed all of the outstanding rejections of record, Applicant respectfully submits that the application is in condition for allowance and notice to that effect is earnestly solicited. If there are any questions regarding this Amendment or the application in general, the Examiner is encouraged to contact the undersigned at the phone number listed below to expedite prosecution.

Please charge any shortage in fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account 50-0206, and please credit any excess fees to the same deposit account.

Respectfully submitted,

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